



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Katy Allen

**SUBJECT: HOURLY RATE FOR PUBLIC
WORKS DEVELOPMENT
SERVICES**

DATE: May 23, 2007

Approved	/s/	Date	05/24/07
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RECOMMENDATION

Amend the Proposed 2007-2008 Fees and Charges Report to include the following hourly rates for miscellaneous services provided by Public Works staff for which there is no specific fee:

Services Provided by Office Staff \$180 per hour

Inspection Services \$174 per hour

BACKGROUND

Staff assigned to Public Works' Development Services section are frequently asked to perform specific tasks or provide services for which there is no established fee. Implementation of the proposed hourly rates would allow Public Works to charge customers appropriate fees to reimburse the City for the staff time involved when providing requested miscellaneous development-related services that do not include a permit application or fee-generating activity.

ANALYSIS

The Development Services section of Public Works does have a small General Fund budget which appropriately pays for providing general public information about land use and infrastructure. However, many customers request development-related services that should be cost recovery, but for which no specific fee currently exists. Examples of such activities include research, staff time on driveway permits, review and advice on development proposals prior to submission, as well as staff participation in multi-department review meetings requested by Planning and Building Permit applicants. If these fees are approved, no adjustment to the Public Works Development Fee Program revenue estimate is recommended at this time as the activity level for this new fee category is difficult to estimate. All revenue received from these fees will, however, be credited to and accounted for as part of the cost-recovery fee program.

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The methodology used to determine the hourly rates above is the same as that used by the other development service partners: total program cost divided by the annual total of billable hours available for all staff that provide direct service. In this case, the program cost and billable hours available have been broken out between field inspection and in-office operations to provide a more accurate rate for each.

PUBLIC OUTREACH

A copy of this Manager's Budget Addendum with a cover letter advising of the June 11, 2007 Public Hearing on Fees and Charges will be mailed to development industry groups including the San Jose Silicon Valley Chamber of Commerce Development Committee, the Home Builders Association of Northern California (HBA), and the local chapters of the National Association of Industrial and Office Properties (NAIOP), the National Association of the Remodeling Industry (NARI), and the American Institute of Architects (AIA).

COORDINATION

This memo has been coordinated with the City Manager's Budget Office and the City Attorney's Office.

/s/

KATY ALLEN

Director, Public Works Department